

EXECUTIVE PAY BILL

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NOTES FOR DIRECTOR'S TESTIMONY

ON

EXECUTIVE PAY BILL

I. NEED FOR HIGHER SALARIES FOR SENIOR EXECUTIVES:

- A. Emphasize your strong support of the principle of increasing salaries for senior executives in Government generally.
- B. Summarize our specific problems.
 1. Anonymity not a very good reward.
 2. Good, capable people are lost when they are faced with problems of educating children, etc., or providing for their families in other ways.
 3. Responsibility of these senior people is usually out of all proportion to their salaries.
 4. Usually they can command greater salaries in industry. Example:

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II. THIS SPECIFIC LEGISLATION: (FOR SUMMARY SEE TAB A)

- A. Director and Deputy Director.
 1. Of primary concern is the relative positions (not the salaries) of the Director and Deputy Director of Central Intelligence in the over-all executive pay structure. (Emphasize that you and General Cabell are not seriously concerned about your personal salaries.)

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2. The Director of Central Intelligence works on equal terms with the Deputy Secretary of Defense, the Under Secretary of State, and the senior Administrative Assistants to the President. He regularly attends meetings of the National Security Council, is the principal foreign intelligence advisor to the Council, and a full member of the Operations Coordinating Board, in addition to his responsibilities as the operating head of the Central Intelligence Agency. The Hoover Commission (Clark Task Force) recommended that the position of Director of Central Intelligence be equated with that of the Deputy Secretary of Defense.
3. The Deputy Director of Central Intelligence works on equal terms with the Deputy Under Secretary of State and the Under Secretaries of the military departments. The Hoover Commission (Clark Task Force) recommended that the Deputy Director of Central Intelligence be equated with the Under Secretaries in the Executive Departments.

III. GRADES GS-17 AND GS-18:

- A. While we are exempt from the Classification Act and have authority to fix our own salaries, we have as a matter of practice followed the Civil Service classification system and standards.
- B. While any increase over present salaries for these grades would be helpful, ranging the grade GS-18's from \$16,000 to \$17,500 as the Senate Bill proposes seems highly desirable and would be a very

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great help in keeping our highly skilled people. Many of these have had years of training in our unusual work and it would take a number of additional years to train comparable replacements.

C. Number of supergrade positions in CIA. (I think that you should avoid discussing this if possible, but it is logical to expect that you may be asked this question.)

1. We now have on duty 135 people in supergrade or higher positions, including the statutory positions of the Director and Deputy Director of Central Intelligence. (Colonel White can supply further detail if needed.)
2. A careful study comparing the positions above the grade GS-15 salary with that of other agencies which we feel it is fair to compare ourselves indicates that we would not exceed the general structure of other agencies if we had 203 supergrade positions. This was arrived at by taking a composite supergrade ratio of State, AEC, ICA, and USIA. (Colonel White can supply further detail if needed.)

IV. PRINCIPAL OPERATING DEPUTIES AND COMPARABLE POSITIONS: (It may be inadvisable to get into a discussion of your plan to pay some salaries in excess of the grade GS-18 level but not in excess of the salary of the Deputy Director of Central Intelligence. You will recall that while the House Appropriations Committee sanctioned this action they also cautioned against undue publicity, and, as I recall it, we said

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that we would come back and discuss our proposal with them prior to implementation. However, if you testify I think it is logical to assume that you may not be able to avoid questions along this line.)

A. For positions which have been recommended by the Supergrade Review Board for compensation at higher than the grade GS-18 rate, see Tab B.

1. The Department of State has three Deputy Under Secretaries, ten Assistant Secretaries, and three other jobs carrying the same rank, status, and salary as Assistant Secretaries.

Total: 16 (Tab C)

2. The Department of Defense

- a. The Office of the Secretary has a proposed Under Secretary, nine Assistant Secretaries, and the General Counsel who has Assistant Secretary rank.

Total: 11 (Tab D)

- b. Each service has a Secretary and Under Secretary and four Assistant Secretaries.

Total: 18 (Tab D)

TOTAL: 29 (Tab D)